

THE BOARD OF EQUALIZATION OF UTAH COUNTY, UTAH
COMMISSION CHAMBERS, ROOM 1400
OF THE UTAH COUNTY ADMINISTRATION BUILDING
Tuesday, May 31, 2016 at 1:00 P.M.

PRESENT:

COMMISSIONER LARRY A. ELLERTSON, CHAIR
COMMISSIONER WILLIAM C. LEE, VICE-CHAIR
COMMISSIONER GREG GRAVES

ALSO PRESENT:

Dianne Orcutt, Attorney's Office	Clarissa Reeve, Assessor's Office
Burt Harvey, Clerk/Auditor's Office	Kelly Parsons, KX Mgmt.
Peter Jeppsen, Assessor's Office	Jim Stevens, Assessor's Office
Sandy Nielson, Clerk/Auditor's Office	Rafael Millet, Recorder's Office
Andrea Allen, Recorder's Office	Diane Garcia, Assessor's Office
Renée Huggins-Caron, Clerk/Auditor's Office	Kris Poulson, Utah County Assessor

Commissioner Ellertson welcomed all who were present and the meeting began at 1:04 P.M.

1. APPROVE MINUTES OF THE BOARD OF EQUALIZATION MEETING HELD APRIL 26, 2016.

Sandy Nielson noted the heading showed March 29th.

Commissioner Lee made the motion to approve the minutes of the Board of Equalization Meeting held on April 26, 2016 with the change of the date on the heading. The motion was seconded by Commissioner Graves and carried with the following vote:

**Aye: Commissioner Ellertson
Commissioner Lee
Commissioner Graves
Nay: None**

2. ACCEPT OR DENY LATE FILED CONTINUING PROPERTY TAX STATEMENT FOR 2016 RECEIVED AFTER DEADLINE OF MARCH 1, 2016 FOR AMERICAN FORK CONGREGATION OF JEHOVAH'S WITNESSES, SERIAL NO. 13:056:0010.

Commissioner Graves made the motion to accept the late filed statement as stated in Item No. 2. The motion was seconded by Commissioner Lee and carried with the following vote:

**Aye: Commissioner Ellertson
Commissioner Lee
Commissioner Graves
Nay: None**

3. APPROVE OR DENY LATE FILED CONTINUING PROPERTY TAX STATEMENT FOR 2016 RECEIVED AFTER DEADLINE OF MARCH 1, 2016 FOR AMERICAN FORK CONGREGATION OF JEHOVAH'S WITNESSES, SERIAL NO. 13:056:0010.

Commissioner Lee made the motion to approve the late filed Continuing Property Tax Statement for American Fork Congregation of Jehovah's Witnesses. The motion was seconded by Commissioner Graves and carried with the following vote:

Aye: Commissioner Ellertson
Commissioner Lee
Commissioner Graves

Nay: None

4. **ACCEPT OR DENY LATE FILED CONTINUING PROPERTY TAX STATEMENT RECEIVED AFTER MARCH 1, 2016 DEADLINE FOR TIMPANOGOS REGIONAL HOSPITAL GIFT SHOP, ACCOUNT NO. 70625.**

Commissioner Graves made the motion to accept the late filed Continuing Property Tax Statement as stated in Item No. 4. The motion was seconded by Commissioner Lee and carried with the following vote:

Aye: Commissioner Ellertson
Commissioner Lee
Commissioner Graves

Nay: None

5. **APPROVE OR DENY LATE FILED CONTINUING PROPERTY TAX STATEMENT FOR 2016 RECEIVED AFTER DEADLINE OF MARCH 1, 2016 FOR TIMPANOGOS REGIONAL HOSPITAL GIFT SHOP, ACCOUNT NO. 70625.**

Commissioner Lee made the motion to approve the late filing Continued Property Tax Statement for Timpanogos Regional Hospital Gift Shop as stated in Item No. 5. The motion was seconded by Commissioner Graves and carried with the following vote:

Aye: Commissioner Ellertson
Commissioner Lee
Commissioner Graves

Nay: None

6. **REVOKE TAX EXEMPT STATUS AS SPECIFIED. (see attached list)**

Burt Harvey stated he had received the application finally from the Christian Life Assembly in Payson. He said he received the application on Friday which was significantly after the deadline. He said it was the Board's prerogative to strike them from the list or to revoke the exemption status. Commissioner Lee said, "I would like to strike it."

Commissioner Lee made the motion to strike Item No. 6. The motion was seconded by Commissioner Graves and carried with the following vote:

Aye: Commissioner Ellertson
Commissioner Lee
Commissioner Graves

Nay: None

7. **HEAR LATE APPEAL OF PROPERTY TAX ASSESSMENTS. RECONVENE GRANTED BY THE STATE TAX COMMISSION TO REVIEW COUNTY'S RECORDS, REVIEW IS LIMITED TO CORRECTION OF THE FACTUAL ERROR AND ANY RESULTING CHANGES TO THE PROPERTY'S VALUATION FOR JOSEPH SCOTT MARTINEAU, SERIAL NOS. 54:037:0082, 54:037:0083, & 54:037:003., APPEAL NO. 16-441.**

Kris Poulson asked that this item be tabled until later in the meeting because Burt Garfield was not in the meeting at that time.

Commissioner Graves made the motion to table Item No. 7 until later in the meeting. The motion was seconded by Commissioner Lee and carried with the following vote:

**Aye: Commissioner Ellertson
Commissioner Lee
Commissioner Graves
Nay: None**

8. APPROVE OR DENY APPLICATION FOR REVIEW BY BOARD OF EQUALIZATION OF FARMLAND ASSESSMENT ACT STATUS FOR ROBERTS MANUFACTURING INC/FRED ROBERTS, SERIAL NOS. 13:044:0024 & 13:044:0139, GB ACCT, NOS. 250-2016 & 249-2016. (Continued from 3/29/20016 & 4/26/2016).

Diane Garcia presented to the commissioners copies of photographs of the property that were taken that morning. Commissioner Ellertson asked her, "Do you know how far the property goes?" Diane approached the bench to describe the location of the property.

Commissioner Graves asked, "Is this the one that wanted the roll-back for five years?" Commissioner Lee commented, "This is the one that wanted us to speculate with them." Diane explained they wanted a refund on the roll-back that had been paid already. Commissioner Graves said, "They paid it. They want us to refund it. They will subdivide it and then they will pay it back. This is that one." Diane commented she didn't know if she heard them say they would pay it back. Commissioner Graves said, "He did say, '*And then we will pay the taxes due.*'" Diane explained the roll-back taxes had been paid in order for them to get approval for the development. Commissioner Graves added, "But they can't develop it because they are short on funds. So they would like the roll-back taxes back so they can finish developing. So, they can sell the property."

Diane explained there is no agricultural production and the fences on the east and west sides have been torn down. Commissioner Graves said, "We all agree there. I think the debate was something else."

Commissioner Lee said, "In my mind, it was about us speculating with them on a potential, future project." Commissioner Ellertson said, "We don't want to do that." Commissioner Graves joked, "Maybe we should speculate for a few minutes so Kris' guest can arrive?"

Commissioner Ellertson asked, "Is there anyone in the audience who wishes to speak to this issue?" Diane said she didn't see the Roberts here today.

Commissioner Graves made the motion to deny the application as stated in Item No. 8. The motion was seconded by Commissioner Lee and carried with the following vote:

**Aye: Commissioner Ellertson
Commissioner Lee
Commissioner Graves
Nay: None**

9. APPROVE OR DENY APPLICATION FOR REVIEW BY BOARD OF EQUALIZATION OF FARMLAND ASSESSMENT ACT STATUS FOR KX MANAGEMENT LLC/KELLY PARSONS SERIAL NO. 59:068:0002. GB ACCT/ MP/ 636-2016.

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Kelly Parsons explained they had owned the property for 36 years. He described the change to the titling of the entity “from one to another in which we are both the same”. He explained there is now a lien against the property in the amount of \$23,000 due to Greenbelt status. He explained he is new to Greenbelt and is trying to understand it.

Commissioner Ellertson asked, “Has the use of the property changed at this point in time?” Kelly answered it had not. Commissioner Lee asked, “And you’ve had production?” Kelly answered no. Commissioner Lee said, “Then, that is more of the issue than the change of the name.”

Diane explained it was the name change that initiated the roll-back. The ownership changed in 2012 so applications were sent out. She said he did return an application but it didn’t have proof of production and was returned to Mr. Parsons. Nothing was ever returned. She said it was denied for lack of production and a completed application.

Commissioner Ellertson asked, “What is the land being used for at this time?” Kelly answered that it was desert land three miles south of Eagle Mountain.

Commissioner Lee asked, “Was it ever in, I mean, was it ever used for cattle grazing?” Kelly answered not that he was aware of. Commissioner Lee asked, “How did it ever get on Greenbelt?” Diane explained back in 1969 or 1970, they could have done so. She said the 80 acres went on Greenbelt in 1975. Commissioner Graves looked at the photos of the property and commented, “I can see it is brown.”

Commissioner Ellertson said, “That’s part of the challenge.” He started to explain the rules behind Greenbelt, then Diane said, “It is a deferral. It is a deferral for five years. Anything over five years, you get the benefit of being taxed at the productive agricultural value and not market value.” Commissioner Ellertson continued explaining, “So in order to get that deferral, it has to meet agricultural production. Which means it has to either provide grazing for a certain number of animals or it has to provide crops that would meet the production identified actually from Utah State University. They are the ones that goes through and decides what it has to do in order to remain on greenbelt to qualify. Then, what it does is it allows the taxes to be calculated as though it is agricultural property that rather than what would be termed *highest and best use* for whatever else it may be used for. So, that is the reason this was on Greenbelt from years and years ago. But, because of the change in name, not necessarily in the change in ownership, it has triggered the process to say anytime a property changes, you have to re-file for the Greenbelt. Of course, what you are saying is, that is something you are not aware of, not invested, not involved in. So, but that’s nonetheless, when it triggered that, Diane is the one that looks at those to determine if they still qualify. This one does not appear to meet that qualification.”

Kelly said if he had known this, he would not have changed the entity. Commissioner Ellertson said, “I would argue for you if it met the production.” Commissioner Graves added, “The fact that you didn’t make the name change is kind of the opposite in this case, because in fact you should have been paying the higher tax rate because it wasn’t in agricultural use.” Dianne commented it is the owner’s responsibility to let the county know when it no longer meets the requirements. Commissioner Graves continued, “That’s why we asked if you had any animals, ‘cause if so...”

Commissioner Ellertson added, "So this is what happens, when it goes off from agricultural use or production, there is a five-year roll-back which basically says the taxes that were deferred from that property to get it down to what the agricultural value would be are due at that point in time. So, those are rolled back or are in essence are saying okay the taxes from the prior five years are now due to be paid. And continuing forward, it will be taxed at the higher rate. It will be taxed at the regular than the agricultural rate unless someone wants to get it back on Greenbelt. That would be your decision depending on what you plan on doing with the property down the road."

Kelly asked where would he learn these guidelines. Diane explained when she sent out the applications, she included a brochure on Greenbelt. She suggested he go to the State website where he could find out information on Greenbelt. Commissioner Lee said, "There is a silver lining." Dianne Orcutt explained there was a change of ownership by that name change and that is why an application was sent out. The underlying issue is the production. The new owner has a responsibility to turn in the application with that production.

Kelly said he wished he had understood this. He said it is a \$23,000 penalty for not knowing something. Commissioner Lee said again, "There is a silver lining. The silver lining is the roll-back doesn't go for 30 years. It's only 5. So, that has to be looked at as a silver lining. You are not going all the way back."

Commissioner Ellertson said, "The issue would be, and again I don't know what the individual years are, but it appears you are \$4-5,000 a year on what the property taxes are regularly on that piece of property. If you are not planning on doing something with it right away, you could consider getting back on Greenbelt by putting it into some kind of production that would meet the requirements. After two years of production, you could get back on the Greenbelt."

Commissioner Graves made the motion to deny the application as stated in Item No. 9. The motion was seconded by Commissioner Lee and carried with the following vote:

**Aye: Commissioner Ellertson
Commissioner Lee
Commissioner Graves
Nay: None**

Commissioner made the motion to bring back Item No. 7 from the table for discussion. The motion was seconded by Commissioner Lee and carried with the following vote:

**Aye: Commissioner Ellertson
Commissioner Lee
Commissioner Graves
Nay: None**

- 7. HEAR LATE APPEAL OF PROPERTY TAX ASSESSMENTS. RECONVENE GRANTED BY THE STATE TAX COMMISSION TO REVIEW COUNTY'S RECORDS, REVIEW IS LIMITED TO THE CORRECTION OF THE FACTUAL ERROR AND ANY RESULTING CHANGES TO THE PROPERTY'S VALUATION FOR JOSEPH SCOTT MARTINEAU, SERIAL NOS. 54:037:0082, 54:037:0083 & 54:037:0163, APPEAL NO. 16-441.**

Burt Garfield, Assessor's Office, explained this is a factual error based on the properties some parcel lines. The cabin does seem to cross boundaries. Commissioner Ellertson said, "The thing we are doing today is limited to the factual error and any resulting changes in the valuation." Dianne Orcutt explained the Utah Administrative Rules limits what factual errors is. She said she wasn't aware what

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the owner has alleged the factual error is. She said they have the burden of proof in establishing the factual error. Commissioner Graves asked, "But is it part of the proof if we admit to it?" Dianne said absolutely. Commissioner Ellertson commented, "I think that is what you are going to share with us."

Burt said he didn't think it would change the value but it did appear the cabin does span a parcel line. Commissioner Ellertson said, "So, the cabin is on two lots in the subdivision, and this is a mountain subdivision. Does he own two lots?" Clarissa Reeves asked the commissioners to continue this item one month so she could see what is going on.

Commissioner Lee made the motion to continue Item No. 7 for one month. The motion was seconded by Commissioner Graves and carried with the following vote:

**Aye: Commissioner Ellertson
Commissioner Lee
Commissioner Graves
Nay: None**

Commissioner Graves made the motion to adjourn. The motion was seconded by Commissioner Lee and carried with the following vote:

**Aye: Commissioner Ellertson
Commissioner Lee
Commissioner Graves
Nay: None**

There being no further business or public comment, the meeting adjourned at 2:05 P.M. The minutes of the May 31, 2016 Board of Equalization Meeting were approved as transcribed on June 28, 2016.

UTAH COUNTY BOARD OF EQUALIZATION
Larry A. Ellertson, Chair

ATTEST:

Bryan E. Thompson
Utah County Clerk/Auditor

Recorded by Renée Huggins-Caron, Clerk/Auditor Administrative Assistant
Transcribed by Vicky Westergard, Tax Administration Clerk.
Copies available upon request or online at: www.utahcounty.gov or www.utah.gov/pmn.